



# Five-Year Forecast

## May 2024

Deb Armbruster, Treasurer / CFO

# Forecast Methodology

- Methodology - Communication, collaboration, and analytics with key personnel to develop spending plans for a close to actual projection of revenue and expenditures
  - Superintendent
  - Director of Student Services
  - Assistant Superintendent - Business Affairs
  - Assistant Superintendent
  
- Capitalize on grants and additional funding to relieve the General Fund
  - Local Grants
  - State Grants
  - Federal Grants



# Important to Remember:

- A five-year forecast is an **ESTIMATE**. It represents what we know now.
- Circumstances in Ohio school finance are constantly changing - inflation, the state funding formula, tax collections
- The forecast makes assumptions concerning numerous variables that are not yet known (property values, state funding, supply chain, interest rates, etc).
- The five-year forecast represents only the General Fund of the District.
- Assumptions are located in BoardDocs which contain more details.

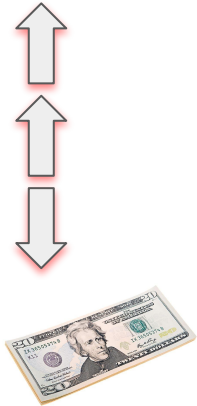




**November 2023 Forecast compared to  
May 2024 - The starting point**

# November 2024 Estimate **vs** May 2024 Estimate

	<u>Nov 2023</u> <u>Estimate</u>	<u>May 2024</u> <u>Estimate</u>
Beginning Balance	23,813,885	23,813,885
+ Revenue	41,345,890	42,099,629
- Expenditures	(41,828,346)	(42,507,148)
Annual Surplus/ <u>Deficit</u>	(482,456)	(407,519)
Ending Cash Balance	<u>23,331,429</u> Before Open Purchase Orders	<u>23,406,366</u> Before Open Purchase Orders



Revenue came in more than anticipated by \$753,739 (Taxes, Interest, Property Sale)

Expenditures exceeded November forecast - \$678,802 (HS windows and Stadium Lighting)

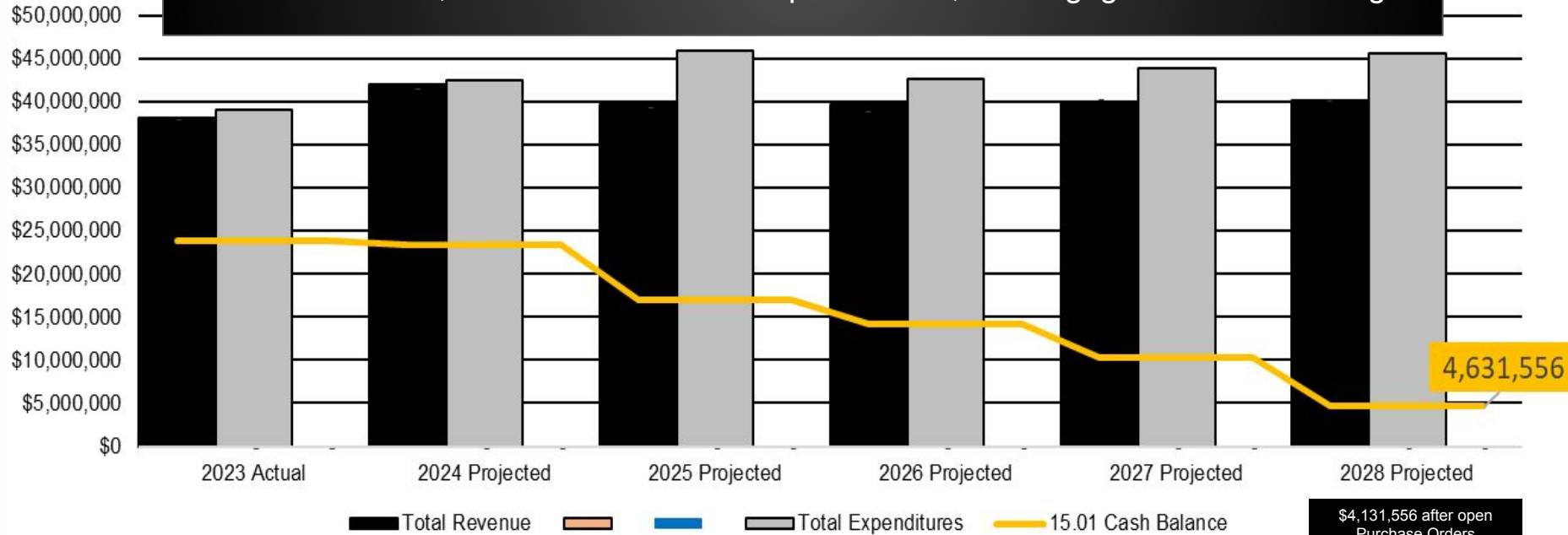


# **May 2024 Forecast for Fiscal Year 2024**

# May 2024 Five-Year Forecast Summary



The Plan - To align the Five-Year Forecast with the 2023-2028 district Success Plan. Concentration aligns with district goals for safety and security, facilities and operations, communications, resources and fiscal responsibilities, and engaged student learning.



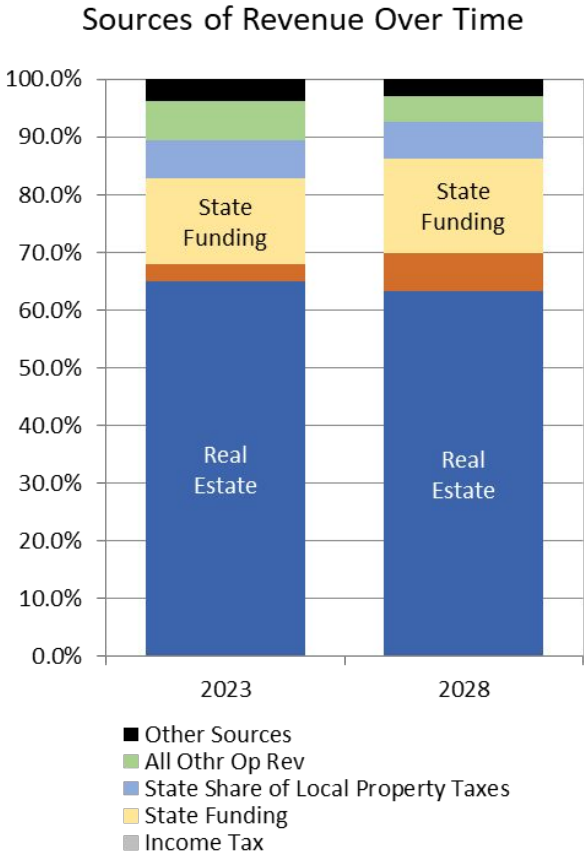
Note - Deficit spending is when expenditures exceed revenue for a given year (gray bar higher than the black bar)



**Revenue**



# 2023 & 2028 Total Revenue Estimate - Percent to Total



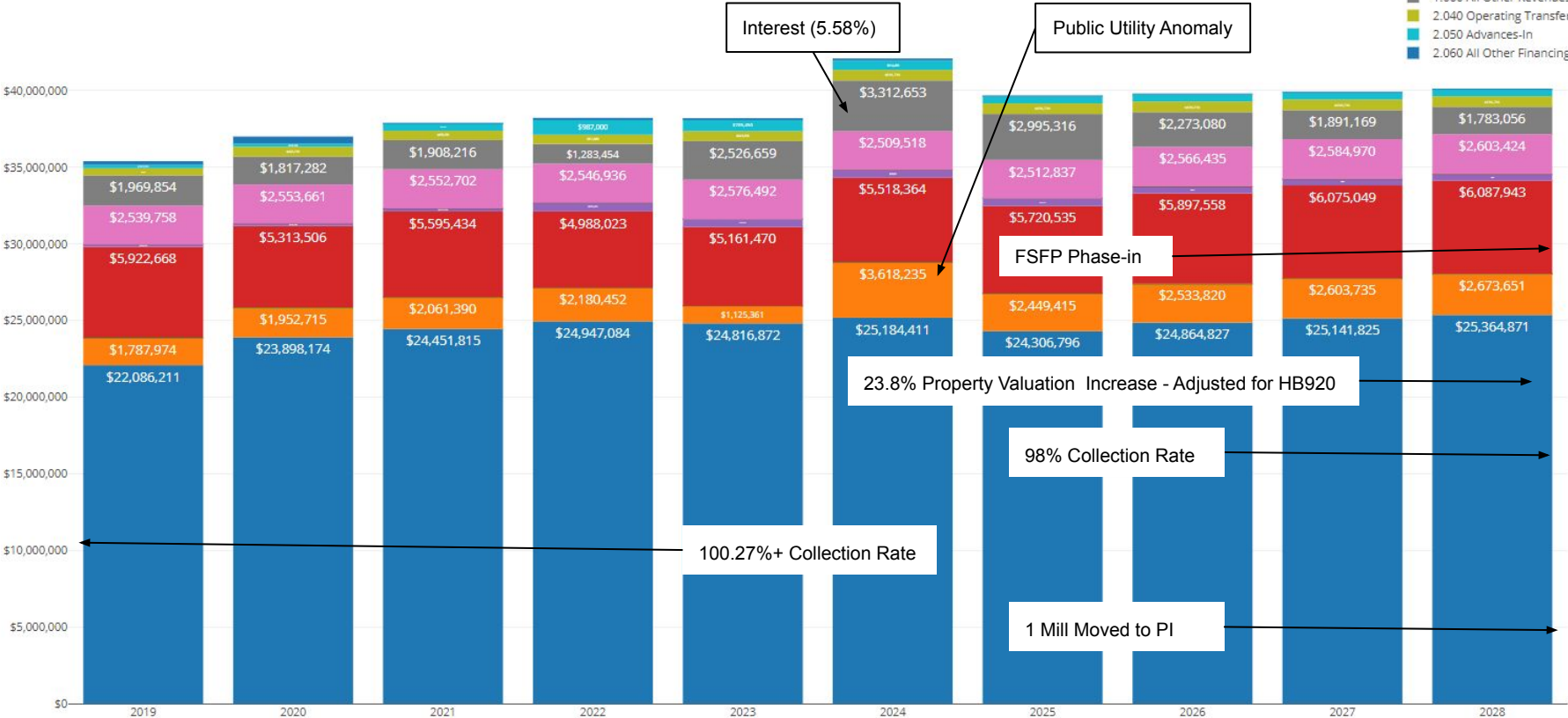
2023	Summary of Revenue	2028
1. 65.0%	Real Estate	63.2%
2. 2.9%	Public Utility	6.7%
3. 0.0%	Income Tax	0.0%
4. 14.5%	State Funding	16.3%
5. 6.7%	State Share of Local Property Tax	6.5%
6. 3.4%	All Other Operating Rev	4.4%
7. 4.5%	Other Sources	2.9%

74.7% (Real Estate, Public Utility, State Share)

FY 22 Total was 77.63% (Regular PUPP)

# May 2024 Forecast Revenue Estimates (2.08)

- 1.010 General Property Tax (Real Estate)
- 1.020 Tangible Personal Property Tax
- 1.030 Income Tax
- 1.035 Unrestricted State Grants-in-Aid
- 1.040 Restricted State Grants-in-Aid
- 1.045 Restricted Federal Grants-in-Aid - SFSP
- 1.050 State Share of Local Property Taxes
- 1.060 All Other Revenues
- 2.040 Operating Transfers-In
- 2.050 Advances-In
- 2.060 All Other Financing Sources

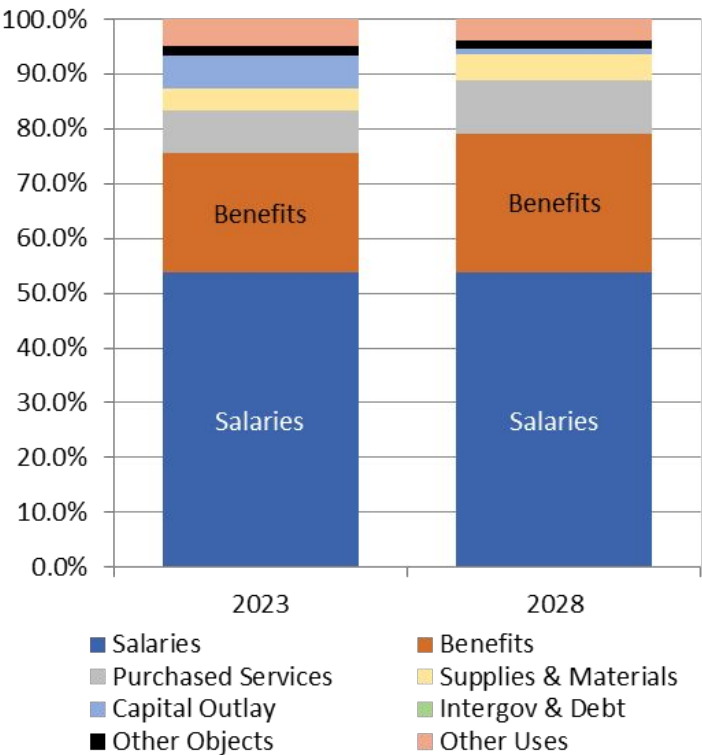




## Expenditures

# 2023 & 2028 Total Expenditure Estimate - Percent to Total

Expenditure Categories Over Time



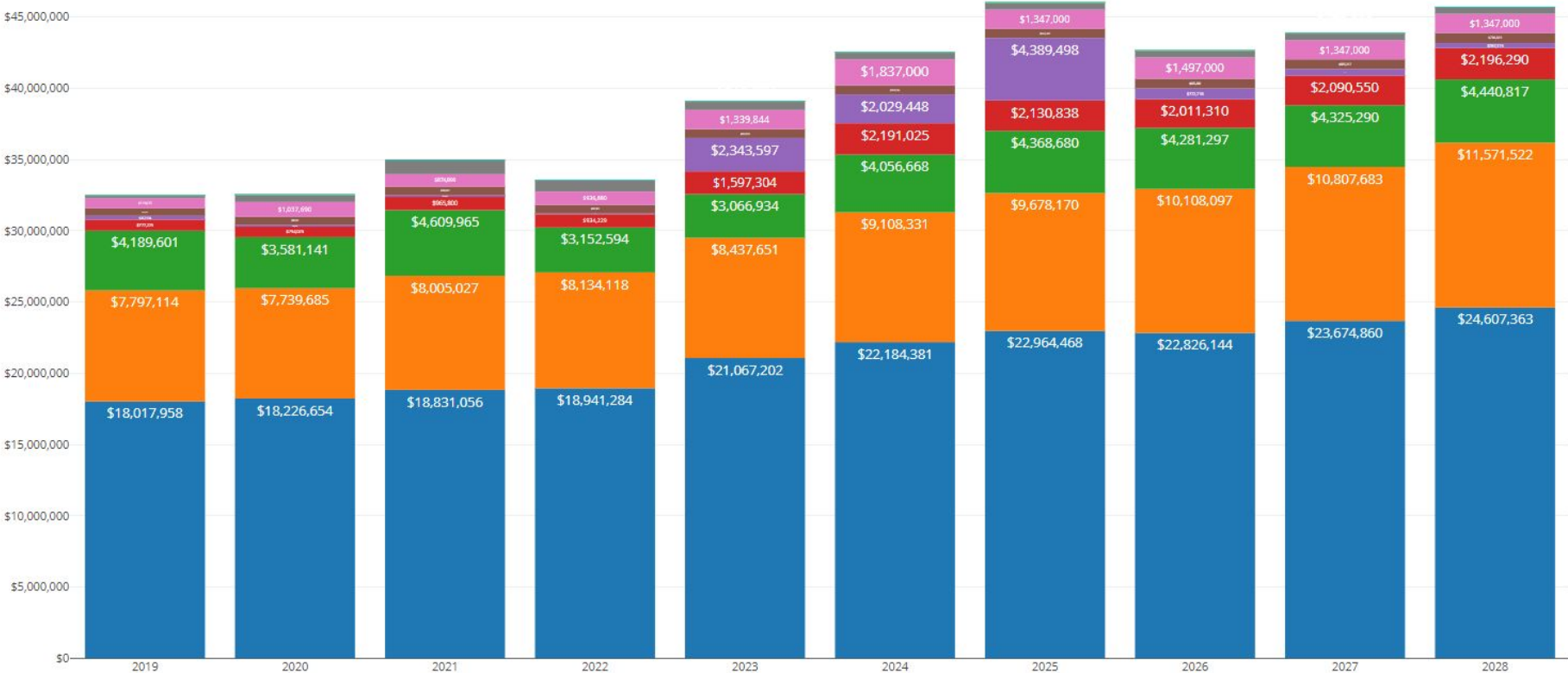
2023	Summary of Expenditures	2028
1. 53.9%	Salaries	53.8%
2. 21.6%	Benefits	25.3%
3. 7.8%	Purchased Services	9.7%
4. 4.1%	Supplies & Materials	4.8%
5. <u>6.0%</u>	Capital Outlay	.8%
6. 1.6%	Other Objects	1.5%
7. 5.0%	Other Uses (Transfer & Advance)	4.0%
75.5%	(Salaries & Benefits)	79.2%

Salaries are higher in FY24 & FY25 - EPC Buyout

**Assumption** - Increase in Salaries (Negotiated Agreements)  
Benefits, Purchase Services, and Supplies - Inflation

# May 2024 Forecast Expenditures Estimates (5.05)

- 3.010 Personal Services
- 3.020 Employees' Retirement/Insurance Benefits
- 3.030 Purchased Services
- 3.040 Supplies and Materials
- 3.050 Capital Outlay
- 4.300 Other Objects
- 5.010 Operating Transfers-Out
- 5.020 Advances-Out
- 5.030 All Other Financing Uses
- {Others}





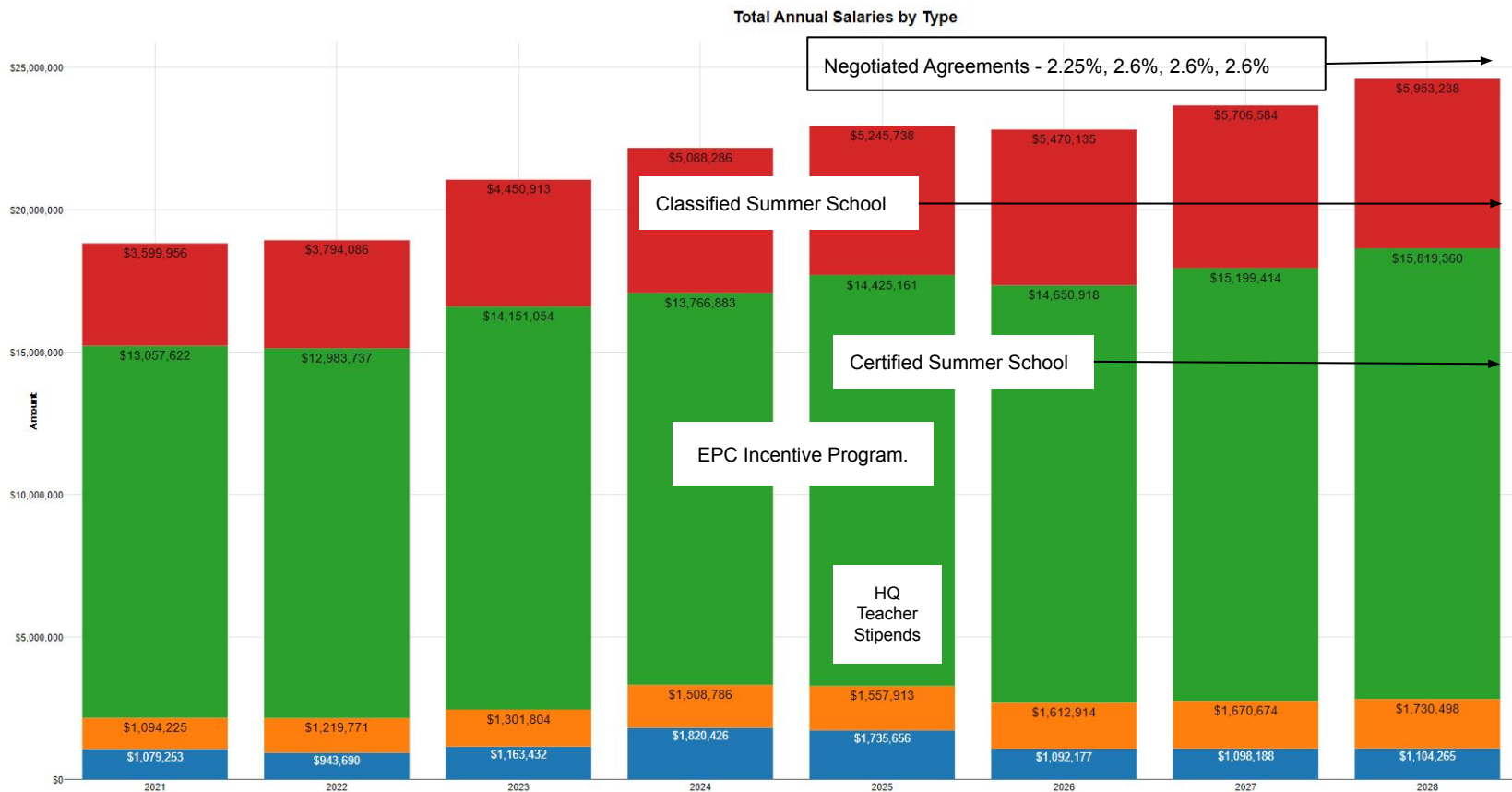
## Expenditures



# Salaries (3.01) Year-over-Year

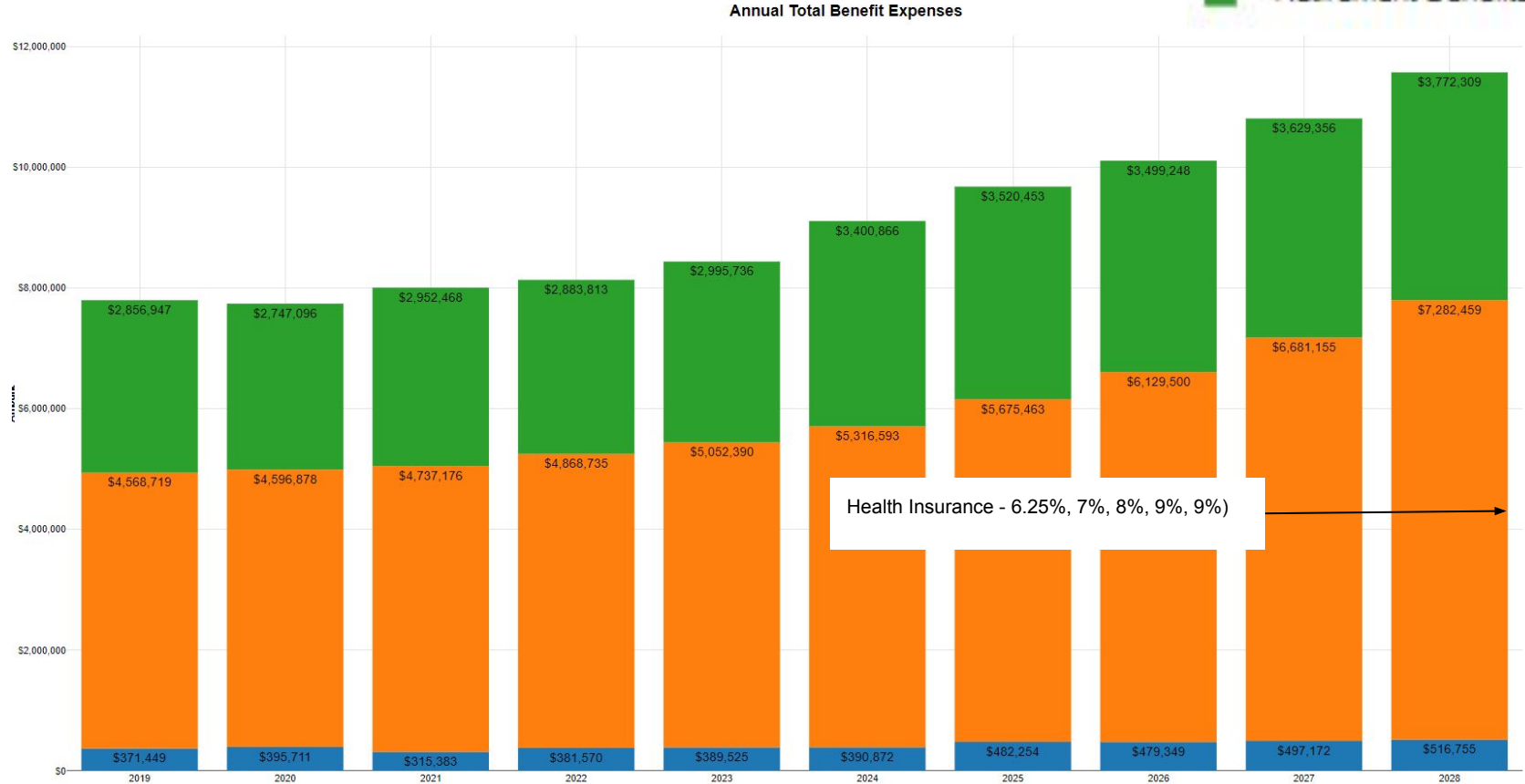
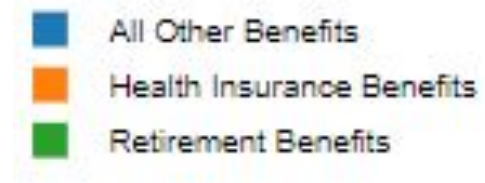
Salaries - 52.19%

- All Other Salaries
- Certified Admin Regular
- Certified Regular Salaries
- Classified Regular Salaries



# Benefits (3.02) Year-over-Year

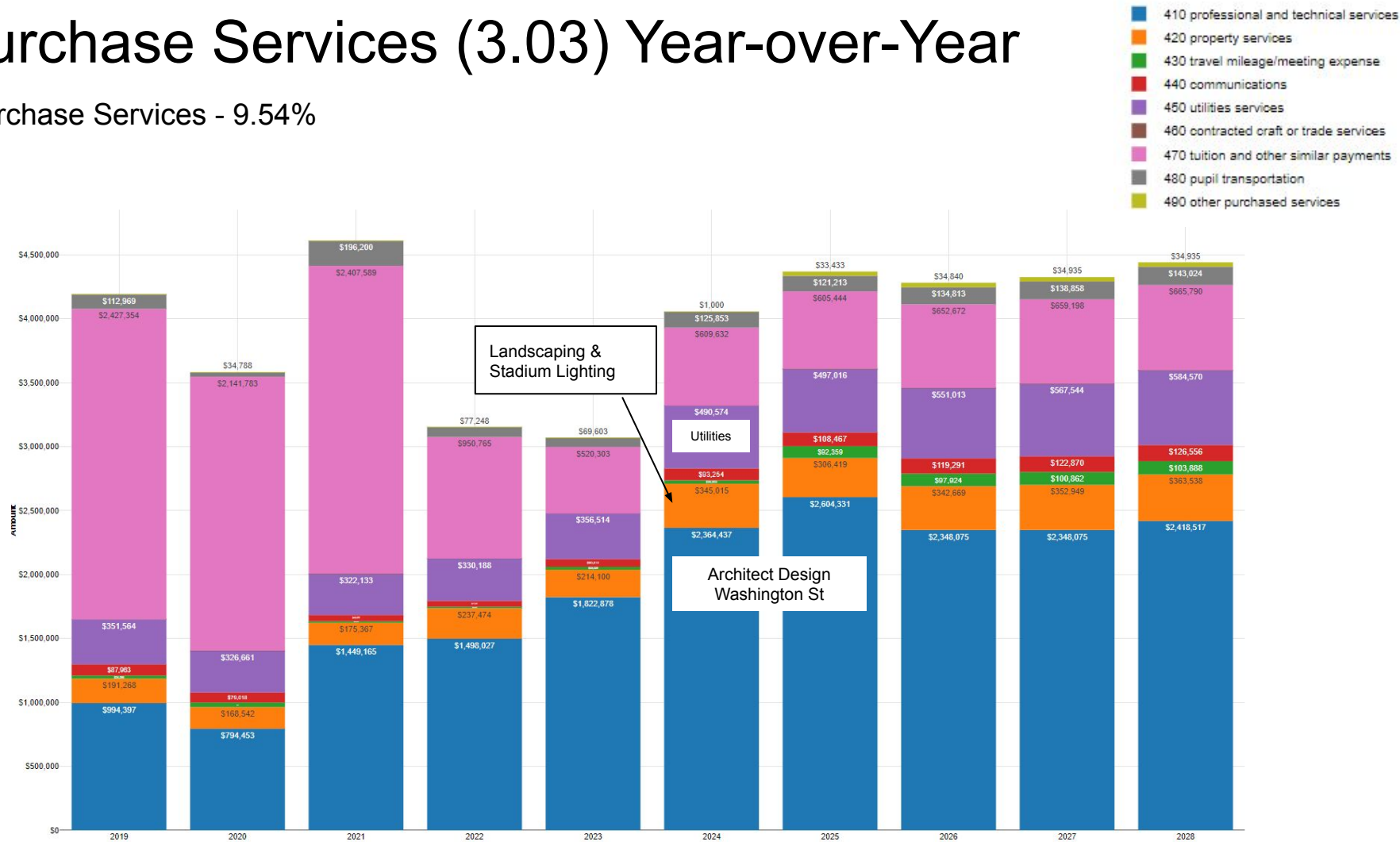
Benefits - 21.43%





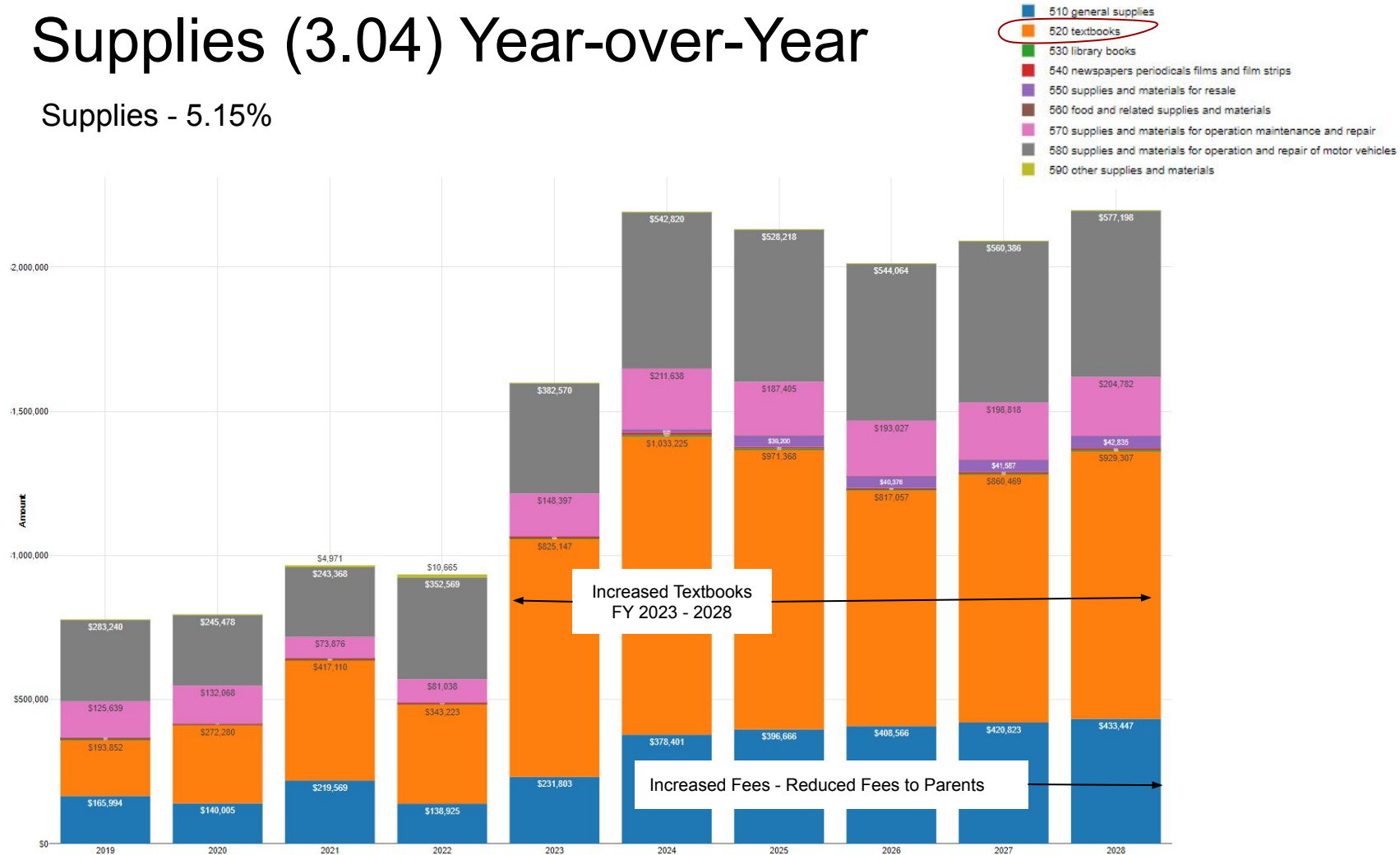
# Purchase Services (3.03) Year-over-Year

Purchase Services - 9.54%



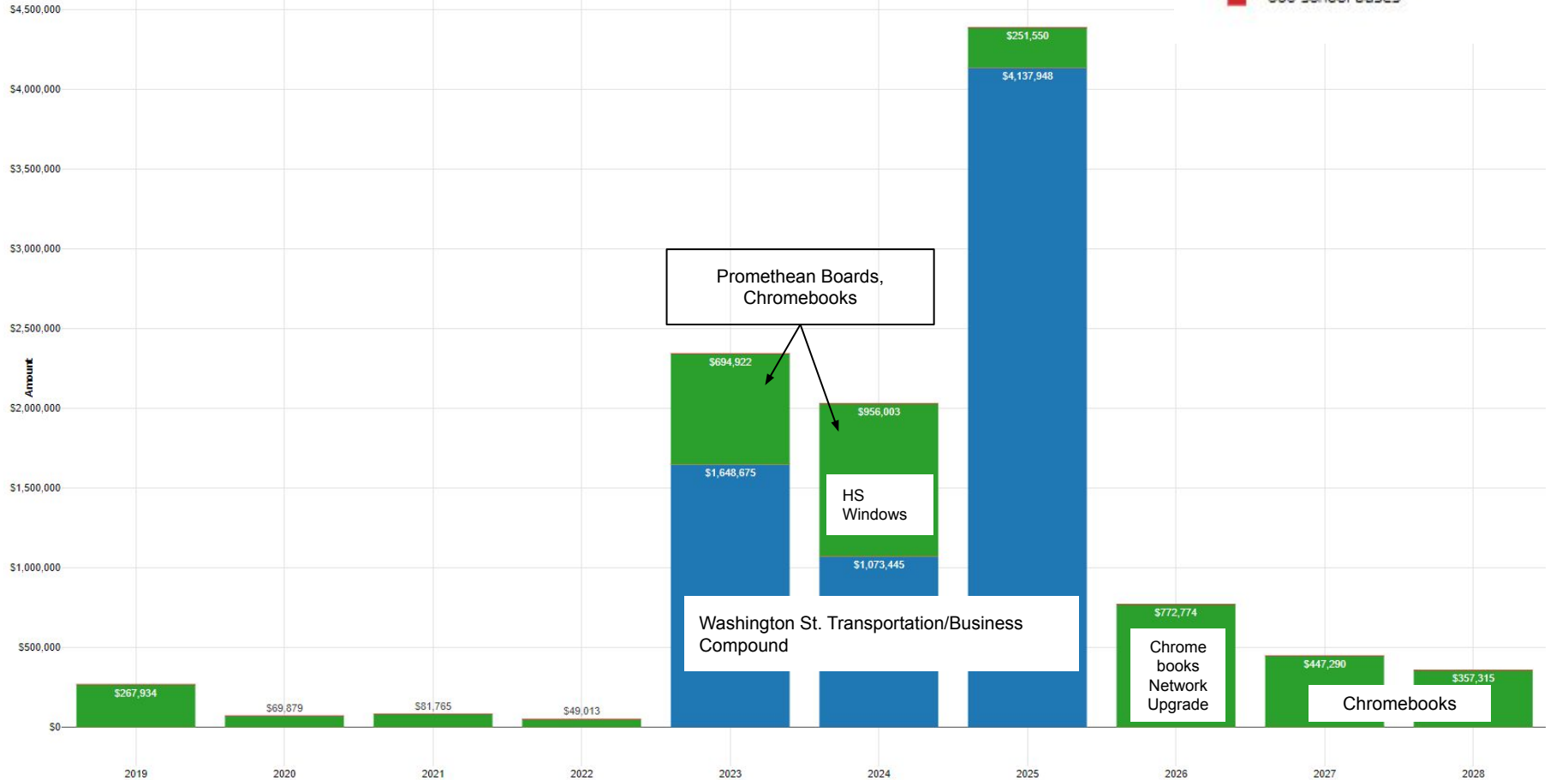
# Supplies (3.04) Year-over-Year

Supplies - 5.15%



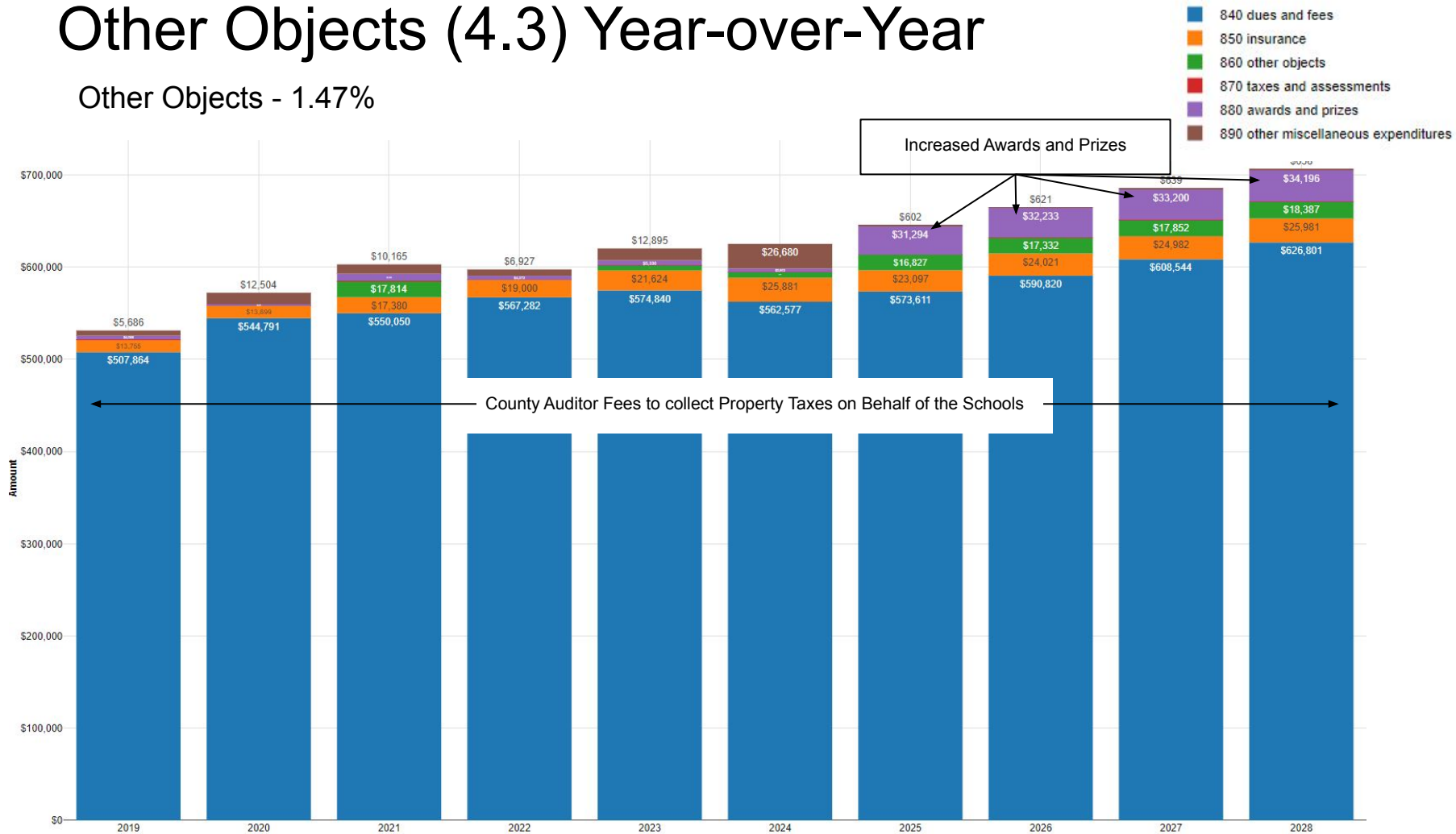
# Capital Outlay (3.05) Year-over-Year

Capital Outlay - 4.77% (Prior to Fy23 less than 1%)



# Other Objects (4.3) Year-over-Year

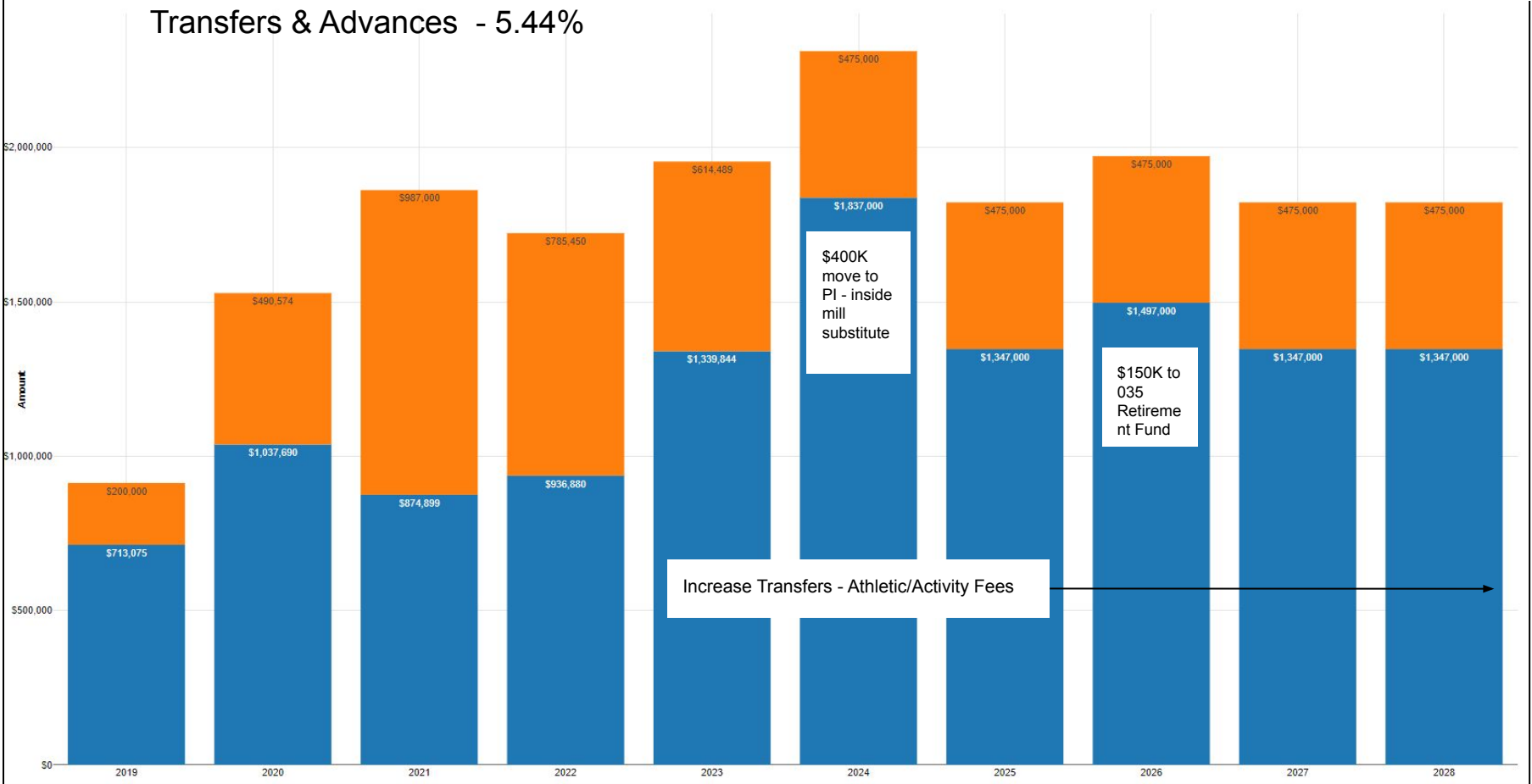
Other Objects - 1.47%



# Transfers & Advances (5.04 ) Year-over-Year

910 transfers and contingencies  
920 advances

Transfers & Advances - 5.44%



# The Latest Accomplishments

IFP's (Interactive Flat Panel) in all buildings to enhance student education

Robust curriculum upgrade to include many new textbooks and additional CCP (college credit plus) classes for students

Reduced student fees in 2023, with an additional reduction in 2024. Supply Fees, Activity Fees, and Athletic Fees have all been reduced to zero. Continued in this forecast through 2028

Negotiated agreements are included for both Certified and Classified staff through 2028 - with a Severance Incentive Program in 2024 & 2025, and HQ teacher stipends in 2025

Washington street renovations include property demolition, site work, and Phase one (1) of this project included in fiscal years 2023-2025

# Five-Year Effect on Cash Balance



Financial Forecast	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	23,813,885	23,406,366	17,049,622	14,178,744	10,221,564
+ Revenue	42,099,629	39,642,344	39,765,771	39,895,712	40,111,323
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(42,507,148)	(45,999,087)	(42,636,649)	(43,852,892)	(45,701,331)
= Revenue Surplus or Deficit	(407,519)	(6,356,743)	(2,870,878)	(3,957,180)	(5,590,008)
Line 7.020 Ending Balance with renewal/new levies	23,406,366	17,049,622	14,178,744	10,221,564	4,631,556

## Analysis Without Renewal Levies Included:

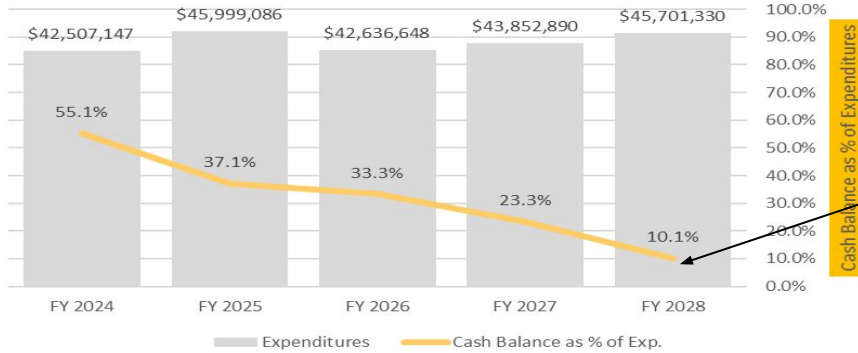
Revenue Surplus or Deficit w/o Levies	(407,519)	(6,356,743)	(2,870,878)	(3,957,180)	(5,590,008)
Ending Balance w/o Levies	23,406,366	17,049,622	14,178,744	10,221,564	4,631,556

[Link: Five-Year Forecast Report](#)

[Link: Five-Year Full Assumptions Report](#)

# Chardon Levy Projection

Cash Balance as Percent of Expenditures



The District is projected to spend **(5,590,007)** more than its revenue in Fiscal Year 2028, which is a shortfall of **(12.13%)** of revenue. The district's cash balance is projected to be \$4,631,563 in fiscal year 2028 or 10.13% of the budget that year.

Base Forecast Results

Base Forecast From 5Cast	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
<b>Beginning Balance</b>	23,813,885	23,406,367	17,049,625	14,178,748	10,221,570	4,631,563	(1,917,507)
+ Revenue	42,099,629	39,642,344	39,765,771	39,895,712	40,111,323	40,526,945	40,972,088
+ Proposed Renew/Replacement Levies	-	-	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-	-	-
- Expenditures	42,507,147	45,999,086	42,636,648	43,852,890	45,701,330	47,076,015	48,518,529
= Revenue Surplus or Deficit	(407,518)	(6,356,742)	(2,870,877)	(3,957,178)	(5,590,007)	(6,549,070)	(7,546,442)
<b>Ending Balance</b>	23,406,367	17,049,625	14,178,748	10,221,570	4,631,563	(1,917,507)	(9,463,948)

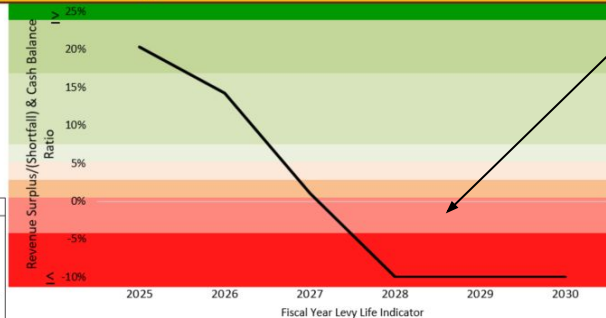
Base Forecast Levy Health Assessment and Millage Needs Estimator

The district is projected to spend -\$5,590,007 more than its revenue in FY 2028, which is a shortfall of -12.23% of revenue. The district's cash balance is projected to be \$4,631,563 in FY 2028 or 10.13% of the budget that year.

The district's levy life indicator resulting from the base forecast is presented to the right. A next levy would likely need to be considered in tax (calendar) year 2027 to impact FY 2028 in time to maintain a cash balance of approximately 10% or more of spending.

Levy Millage Needs Estimator			
If Levy Year >	2024	2025	2026
Lower Range Mills	3.01	4.12	5.76
Higher Range Mills	4.12	5.76	6.48

As a guide, the lower range millage would trend toward a three-year levy life cycle and the higher range millage would trend toward a five year levy life cycle.



The District's levy life indicator resulting from the base forecast is presented to the left. A next levy would likely need to be considered in tax (calendar) year **2027** to impact Fiscal Year 2028 in time to maintain a cash balance of approximately 10% or more of spending.



# Reminder:

- A five year forecast is an ESTIMATE.
- There are numerous variables that are out of our control that could significantly impact the General Fund such interest, inflation, and supply chain shortages.
- The five year forecast is updated every six months to allow for any changes that may occur.



**QUESTIONS**